

THE CO-OPERATIVE WAY : VICTORIA'S THIRD SECTOR

Additional Response Synopsis - Read in Conjunction with "The Co-operative Way" Response Chart

1. Patricia Sherwood, Bunbury Institute of Advanced Education.

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2. Evan Walker MLC, Minister for Agriculture and Rural Affairs.

Notes existing restrictions on capital raising and voting rights, anticipates new Act, objects to implied criticism of "agribusiness" as ill-informed position.

3. Hans Eisen, DITR

Features distinguishing co-ops are internal, still have to complete in the common market-place; co-ops should have same access to Govt. programs that private sector has; Govt. assistance, if any, should focus on continuing commercial viability, report weak here.
Is NSW model better?

4. A.C. Jackson, Centre for Migrant & Intercultural Studies, Monash University.

No reference is made to co-operatives in ethnic communities. Issue of co-ops relevance to ethnic communities might be researched by Ethnic Affairs Commission.

5. Dr. B. Smith, Economic & Employment Unit, M.C.C.

Supports economic potential and end to discrimination against co-ops by Govt, but need to go further; may need non-standard job spec. in award wage structure, notes bureaucratic procedures & delays in C.D.P. (MEAT). Union membership in worker co-ops should be encouraged. Strong support for continuation of worker co-op funding, including Preston TAFE activities.

6. Lindsey Robinson, Waverley Credit Union Co-op Ltd.

Common bond issue not yet resolved, but need for such supports claims for exemption from areas of the Credit Act.

7. J.A. Pattison, Credit Co-operatives Reserve Board.

Perceived co-op breadth and diversity unparalleled in Western World, altruistic. Principles fine, practicalities are a concern, where are the sums? Qld, WA, SA and NSW have separate legislation for credit unions. When for Victoria? The top-down approach, based on government funding, is welfare rather than co-operation.

8. Pam Imberger, Ministerial Advisory Committee on Multicultural and Migrant Education.

Ethnic groups mentioned once (p.99). Could MACC publish info. brochures in community languages, suggests use of bi-lingual specialists in co-op education and training.

9. Prof. Givoanni Carsaniga, Institute for Immigration and Ethnic Studies, La Trobe University.

Flattered, but not aware of any interest by Institute members in co-op. movement in Victoria.

10. Albert Nelson, Small Business Development Corporation.

Does not wish to impinge on co-op development (cf p.71), will stand back and observe progress.

Remains willing to assist.

11. P.R. Marsh, Victorian Trades Hall Council.

Considerable disappointment, gives no priority to the place of the T.U. movement. Sympathetic to Rec. 54 but if no further indication of integrating central concerns, continued involvement/support unlikely. (Detailed statement on V.T.H.C. principles follows).

12. Michael Arnold MLC, Templestowe Province.

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13. Dr. D.E. Edgar, Australian Institute of Family Studies.

Institute particularly interested in Social Justice Strategy, report highlights participatory democracy.

14. Patti Burke, PHD student - Alternative Work Organisations.

Generally sound and innovative, what about empressarial input?, autonomy essential, facilitators required, not bureaucratic regulators.

15. Stephen Bracks, Ballarat Community Education Centre Co-op Ltd.

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16. D.M. Anglin, Gas Corporation Credit Co-op Ltd.

Report excellent on social philosophy and justice, but impractical re. implementation; credit co-op movement unable to finance in suggested 4 ways, irrespective of Govt. Guarantee; report calls for excessive Govt. control.

17. W.T. Hanrahan, Hume Permanent Building Society, Albury.

Prevent subtle inroads by corporate sector into co-operative movement.

18. Bruce Reid MLC, Bendigo Province.

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19. Norman Geschke, Ombudsman.

No comment but not sure it is "necessarily sound" for co-ops to bank through credit co-ops.

20. J.A. McCulloch, Kurri Kurri Co-op Ltd.

Surprised at the lack of consideration given to community advancement co-ops: oversight should be corrected, especially in relation to conservation co-ops; report therefore incomplete; seeks response from MACC.

21. K.A. Rose, Austral Credit Union Co-op Ltd.

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22. W.J. Winter, S.E.C. Credit Union Co-op Ltd.

Idealistic document proposes cumbersome infrastructure and has little regard for practical implementation; majority of credit co-ops unable to satisfy broad-based demand w/o substantial injection of outside funds.

23. Christopher Billington, Mt. Murrindell Co-op Ltd.

Need to balance commitment and mobility; suggests "buy-back" fund.

24. A.H. McEachern, Credit Union Australia Ltd, Brisbane.

Concerned that it is necessary to obtain consent of all local credit unions in order to service the hundreds of members moving to Victoria (misconception).

25. Philip O'Carroll, Fitzroy Community School.

Greatest need is to reduce red tape - maze of rules; shares and transfers in non-money-making ventures seem wholly superfluous; keep it simple, minimize paperwork, accept audited accounts from banks, let each Co-op choose own structure of members and participants.

26. Alan Brown MLA, Gippsland West.

Material incinerated in office fire, leaves response to the Hon. Jim Ramsay.

27. Allan J. Nicoll, Legal Aid Commission of Victoria.

No comment.

28. Adrian Nye, Health Department Victoria.

No comment.

29. Dr. R.A. Coldwell, Department of Architecture and Building, Melbourne University.

Support and sympathy, this is where our future lies, but in C21.

30. Peg Fitzgerald, Jeshimon House, Camberwell.

Skills in conflict resolution should be part of education program. Not every contingency can be foreseen.

31. Ronald C. MacKenzie, OAM FASA, Wangaratta.

re. Rec. 37(c) (restrictions on distributions) must not apply to Co-op housing societies developed prior to 1986.

32. R.H. Houlding, Cowes.

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33. Ned Iceton, University of New England.

Need new attitudes and values; assist co-ops towards mutual collaboration.

34. John D. Hughes, Buddhist Discussion Centre (Upwey) Ltd.

Some perceived conflicts with Buddhist rules of housing and catering; difficulties with Section 2 housing requirements (being available only to those having obtained nirvana access); specific request re Rec. 32 (final folio).

35. J.R. Charles, Manifold Heights Victoria.

50 years ahead of itself?;

36. Philip R. Mann, Wine & Brandy Co-op Producers Association of Australia, Gawler, S.A.

Welcomes recognition of producer co-operatives.

37. A.P. Reynolds, Box Hill.

Comprehensive, explore formation of co-operative bank (subsidiary of the State Bank?).

38. G.P. McKenzie, Melbourne.

Ideologically opposed to co-ops as the concept is outlined in the report; politically naive; expenditure of public money as suggested is neither justified or necessary.

39. John H. Reeves, Camberwell.

Are sector categories exclusive? sceptical concerning expansion of retail co-ops in the Rochdale Sense; acknowledges broader co-op sphere.

40. R.L. Bryan, The North-Eastern Co-operative Society Ltd.

Adequate long term financing a continuing problem; reporting requirements outdated; welcomes self-regulation. Co-ops must comply with Equal Opportunity Act, building EO principles into model rules is duplication. Does not support education and training levy - prefers fee-for-service. Queries value of inspectors.

41. Michael Ward, Nightcliff - NT.

Autonomy essential; main interest in settlement co-ops, offer challenge/incentives; could Fed/State Govts. provide share-purchase grants based on CEP/dole?

42. Mrs. J. Swat, Dutch Senior Citizens Club.

Supports recommendations for housing disadvantaged groups, elderly in particular.

43. Audrey Baird.

No comment.

44. Daryl Sipos, Down to Earth Co-op Ltd.

DTE an advancement society, has aspirations towards settlement co-op.
Could copies of report be distributed to DTE confest?

45. Michael Salvaris, Victorian Social Justice Strategy.

Copies circulated to Social Justice Steering Committee, role of co-ops
deserves careful consideration in Social Justice Strategy.

46. Paul Handley, Collingwood.

Education and training recommendations appear to ignore secondary school
exposure; disillusioned with credit co-ops re. common bonds - have
developed into regional banks.

Rec 62 (removal of land tax, gift & stamp duty) is most important.

47. Daryl Sipos, Permacroft Co-op Ltd.

Support recommendations, urge adoption; will develop detailed recs.
through sector association.

48. Simon L. Field, Salsi (Pty) Ltd, St. Arnaud.

Interest in great potential of co-ops in farming sector, for both
purchase and marketing; high failure rate results from poor management
and lack of commitment. Notes no representation on MACC from primary
sector - consult with V.F.F.

49. Dr. Peter Hill, Victorian Curriculum & Assessment Board.

Most informative account of the movement in Victoria.

50. Richard Sealey, External Studies, Victoria College.

Proposed structure far too complex and bureaucratic; representation should not be appearing to appease characteristic representation; feels separate education and training committees in each sector could be too much duplication. Re. Preston TAFE - could others do it better?

51. Not used.

52. M. Cauchi, Maltese Community Council Victoria.

Agree with Concept; but may have effect of splintering the ethnic community and be to the detriment of central organisation (when co-ops form to take advantage of once-only grants). Concept of associations is "foreign" to the present structure of ethnic communities. Opposes single peak association per sector.

53. G.G. Meredith, University of New England.

Supports recommendations.

54. David Robinson, Moe.

Connected with Moe R.H.C.; education should be partly subsidised; co-op niche exists in limited/specialised services that private/public sectors find too expensive/cumbersome; provide co-op education as an elective in schools; decent housing provides basis for better life.

55. C. Elvey, Bendigo Trading Co-op Ltd.

Food co-operatives have a place within the Government's Social Justice Strategy and provide a community-based mechanism to realize strategy aims.

56. David Griffiths, MACC member.

See submission.

57. Lynda Tout-Smith, Lalor Food Co-operative.

Supports flexibility but some need for regulation; concern re. dependence on Credit Co-ops; survival depends on Govt. funding; links with Govts. Social justice commitments.

58. Sally Minette, Kirsí Hiltula, North Fitzroy.

Dissatisfied with hierarchical capital-based employment systems. Symbiotic relationship with trade unions essential.

59. Denise Chevalier, Organic Fruit & Vegetable Co-op.

Rec. 60 (food warehouse) is urgent; need for advice on financial planning, taxation and accounting (via Food Co-op Resource Centre); MACC should seek increased budget allocation for co-ops in general.

60. M.A. Hel-Bongo, I.L.O. Geneve.

Momentous document; maintain broad issues in legislation, consequently make regulations; definition of a co-op: ILO definition provided, suggests addition of "accepting a fair share of the risks and benefits", distribution of surplus and capital gains on asset revaluation should be discouraged; cessation of membership in case of temporary lay-off (worker co-ops); distinguish between education and training (demand different skills); requests MACC documents.

61. John James, Western Region Commission.

Government support for co-operatives is desirable in the interests of social justice, equity & economic development.

62. Bruce Thordarson, I.C.A. Geneve.

Support identification of co-ops as distinct third sector; I.C.A. membership now 500 million in 74 countries.

63. Victor Sposito, Ministry for Planning & Environment.

Relevance in rental housing, equity housing and community settlement co-ops; supports recommendations as regards diverse & affordable housing.

64. Barb Martorana, Geelong Unemployed Community Centre.

Concern with proposed infrastructure vis a vis government administration; suggest Govt. assistance delivered by region; looks forward to implementation.

65. Dr. Jane Stanley, Northern Territory Housing Commission.

Need apparent for simple and appropriate structures.

66. J.S.W. Donovan, Milson's Point.

Concern with minority rights in co-ops;
Suggests: measures to preclude a complete volte-face by a co-op; have an official to hear minority viewpoints; impose on directors a duty to act in co-op's interests as a whole; need for right of appeal.

67. K.M. Worsley, VPSA Co-operative Ltd.

Unclear as to role of VCC v. CFV.

68. Byrne, Jones & Torney, Ballarat.

Concern re. Recs. 31 & 39 (definition) regarding co-op companies and the Companies Code; implications for tax liability. Seeks Committee's views.

69. Vera Whittington, Diamond Valley Buying Group.

"Co-operation is democracy at its best".

70. Les Smith, Eastern Region Food Co-operative.

Endorse need for food warehouse and resource centre as per Social Justice Strategy.

71. Denise Chevalier, Moving Food Co-operative Ltd.

Report production a lengthy/protracted process, urge effective action without delay; some Govt. involvement desirable, as is interim (possibly on-going) funding; individual food co-ops need direct funding source.
(cf Rec 59 (c)).

72. John C. Radcliffe, Department of Agriculture, S.A.

Congratulations; Australia has well developed involvement in agricultural co-operatives; interest in uniform co-operative legislation, tax changes and uniform statistics collection.

73. Owen J. Slattery, Phosphate Co-op Coy Ltd.

Some sound practical recommendations, with some poorly argued and inconsistent; difficulties between philosophy, principle, law and practice; report disappointing in not answering terms of reference; cannot support wording of Rec 32 re. definition of "co-operative".

74. G.J. Cook, Dandenong Credit Union Co-op Ltd.

Concern re. suggested amount of Govt. intervention and control; one only Credit Co-op Association.

75. Gavin Moodie, West Melbourne.

The most significant difference in different co-ops is size-related; suggests MACC address needs of smaller co-ops, between worker/consumer control; educational opportunities in primary/post-primary schools; suggests converting a regional DCS office into a worker/consumer co-op; CETA should work through existing education facilities or TUTA.

76. Tim Dyce, VCCA Ltd.

Report still under consideration; wish to A continue involvement and B expand credit co-op representation.

77. K. Schieren, Sunrise Farm Food Co-op.

Works 14 hours/day; volunteer; co-op unregistered, functions with minimum of admin and accounting; report of little substance; Australia totally over-administered and over-governed.

78. Ian McIroy, Mt. Eliza.

Approves of approach - encloses copies of recent writings, concerning China.

79. Friends of The Earth Co-operative Collective

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80. John Verreyt St. Kilda

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81. acknowledgement only

82. Migrant Resource Centre Prahran Inc.

Difficult to respond - problems with interpreting the concept to people from non-English speaking background. Lack of public education about co-operatives means concepts difficult to apply. Most of our clientel concerned with settlement issues.

83. Department of Immigration and Ethnic Affairs, Melbourne.

Department does not directly impact on the co-operative movement. But sections on community advancement and settlement co-operatives could be of interest to ethnic organisations.

84. Paul Derrick - ICA, London

Points out basic weakness of British Industrial and Provident Societies Acts, allowing distribution of residual assets in proportion to shareholdings - contrary to the basic principle of limited returns on capital (even though this principle was not accepted at 23 ICA Congress, Vienna, 1966).

Appears to allow distribution of residual assets in proportion to shareholdings; could lead to premature dissolution to allow capital gains.

Section on co-operative financing uses the term "equity" (p.105) which is confusing - normally used for ordinary shares carrying unlimited returns and co-ops do not issue such shares - hence "equity" should not be used.

Non-voting preference shares can improve a co-op's borrowing ability - widely used by agricultural co-ops in USA and Canada; would be useful in workers' co-ops.

I.C.O.M. is developing a loan known as "Common Ownership Security" similar to a non-voting preference share;

U.K.C.D.A. has developed an "Equity Participation Co-operative" with ordinary shares issued to outside investors.

Believes that outside shareholdings should be non-voting redeemable preference shares with partially cumulative dividends.

Does not see why reformulated principles are an improvement on 1966 ICA Principles. Watkins (recent book) argues for additions: economy or survival and function or social responsibility.

Why does term "society" need to be abolished?

85. Roger Jones - Victorian Indigenous Nurseries Co-operative

Precluded by legislation from registering as a work co-operative. Present registry is understaffed and little help; regulations are horrendous.

Support a Worker Co-operative Association, leave Registry to collect paper.

Concept of employment should be flexible - what about seasonal work or termination solely due to economic circumstances; need optional membership. Group dynamics should be acknowledged.

86. Michael S. Kahn - Rye

Important to legislate while there are "like" governments at State and Federal levels. Local government support is imperative. Unemployed can work to gain equity.

87. Coral Bennett - Wondiligong

Initiative lies with the young.

Co-ops office should have a counselling role, regional offices.

Provide for community advancement co-operatives to better utilize local resources - halls, libraries, caravan parks, community centre etc.

Government as Shareholder.

88. Victorian Ethnic Affairs Commission

Co-op model a practical alternative for ethnic community affairs.

Ethnic communities have/do operate co-operatives - but the model is not relevant in all contexts.

Access and equity benefits are important.

Publicity should be available in multi-lingual form.

Potential exists in worker co-ops for outwork contracts.

Co-ops Office should employ interpreters.

Education should be available to non-English speakers, model rules should be available in ethnic languages and ethnic liaison staff employed by the Co-ops Office.

89. G.S. Doig - Launceston

Co-op development essential to the social and psychological health of Australia. We talk of structural changes in the economy but ignore structural change in society.

90. Action and Resource Centre Co-operative For Low Income Families.

1. Report, if implemented, will have far reaching effects on all co-operatives.
2. Major concern is that report focuses on the more-established co-operatives.
3. It largely excludes co-ops like ARC which could be described as community development co-ops.
4. Due to this omission, we cannot have confidence in the findings.

5. Exclusion is dual-faceted - exclusion from the likely benefits and exclusion from participation in development of the Recommendations.
6. Grossly unfair if co-ops such as ARC were forced into actions or adopt measures which will not benefit it, due to design elements related to needs of other types of co-operatives.
7. Especially unjust when excluded from MACC discussions.
8. Oppose creation of structures that are too unwieldy and unresponsive, given that ARC does not fit into proposed categories.
9. Suggested structures outlined in Report are supposed to promote co-ops, not become barriers to development and operation.
10. Govt. will actively support co-op development only if it is consistent with their own programs and priorities.
Organisations like ARC - outside the mainstream - may be stifled by such restriction, with possibility of support removal with changing political environments.
11. Rec 3: "Co-ops should be accountable for support provided by Govt." ARC accepts this regarding financial accountability; but recommendation is not sufficiently clear and depending on interpretation could have far reaching repercussions for the integrity and independence of a co-operative's actions. What are the detailed specific requirements for accountability?

91 Co-operative Settlement Association Victoria

Most concerned with planning schemes discriminating against rural land-sharing co-operatives, welcomes MACC support for multiple occupancy. Land tax imposition is inequitable. Supports Specific Sector Requirements.

92. Commonwealth Department of Community Services

Acknowledgement only.

93. Department of Labour

1. Number of Recommendations directly affect Dept.
 1. establishment of proposed Co-op Development Section (4 positions), and
 2. fund a worker co-op program (\$1.4 million in 1986/7).
2. proposes that DOL provide \$750,000 over 3 years to establish worker co-op association.
3. Two other Recommendations re. funding (1) TAFE and (2) Food Co-operative Study do not identify DOL as funding source but imply that DOL should be the source.
4. Recommendations appear to be based on misconceptions of CDP funding in 85/6 and 86/7. Actual funding was: \$227,000 (not \$1.4 million) for 85/86 and \$13,000 for 87/87, to meet commitments prior to cessation of CDP.
5. Resources previously allocated to CDP have been redeployed to higher priority activities in the restructured DOL. One staff spends part time on admin. of currently funded co-ops.
6. Does not accept that DOL is responsible for alleviation of poverty through food distribution network development (Food Co-operative Study) as its primary responsibility.
7. Therefore suggests that worker co-op funding proposals in the Report require further consideration if activities are to continue.
8. In particular, DOL unable to provide resources recommended in Report unless higher priority programs announced in Budget were dismantled or reduced.

94. Disability Employment Action Centre

Sheltered workshops must be seen as transitory, skill-gaining.

Recommendations are of great importance in formulating guidelines for Government involvement.

95. Inner Urban Co-operative

Provides employment/training in clothing manufacturing for workers with intellectual disabilities.

Involves constantly managing the tension between economic and social goals. The co-operative is the only business model able to address these fundamentals.

96. Wholefoods Co-operative Ltd - Geelong

Food Co-op. warehouse/resource centre will markedly increase the ability of food co-operatives to perform in the marketplace, while maintaining their social and environmental objectives.

97. Country Fire Authority

CFA has a large volunteer base, co-ops could be relevant in local fire brigades and regional mapping activities.

98. Ministry of Consumer Affairs

1. A constructive and valuable contribution.
2. Presupposes the existence of a coherent co-operative movement in Victoria.
3. Complex organisational structure for further development of Victorian co-operatives presupposes this coherence.
4. The "movement" is fragmented with a wide disparity of interests, aims, ethics, membership strength, asset backing, financial success and co-operative practices.

5. Producer co-operatives generally support such anti-consumer ends as price support and restriction or exclusion of competition in the market place.
6. It has been argued that most credit co-operatives have much more in common with the banking and finance sector than community advancement co-operatives.
7. The complex and extensive structure of co-operative education and training, administrative co-ordination and co-operative development bodies needs to be subject to further consideration.
8. Legislative protection afforded to debtors should equally apply to credit unions and other financial institutions. Credit unions should, therefore, be subject to the provisions of the Credit Act.

99. Victoria Transport

As the co-operative movement does not significantly affect operations, there is no comment.

100. Community Services Victoria

1. Agree that CSV should explore the development of co-operatives for some people with intellectual disabilities. Points out this is in line with current joint work between CSV and DOL - examining independent living and employment and training options for people living in institutions or who are to be resettled in the community.
2. The food co-operative warehouse and resource centre proposals of the Victorian Food Co-operative Study Group do not fit in with the responsibilities of this Department at this time.

101. Mursea Co-operative Ltd

Supports Rec. 37(b), concerning cash rebates and bonus shares.

102. Community Arts Network Victoria Inc.

Ack. only - comments will be forwarded.

103. 3-RPH Co-op Ltd

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104. Recreation Reserve Cohuna Bowling Club Co-op Ltd.

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105. Australian Greek Welfare Society

Why is a new Ministry required? Reasons for proposed establishment appear rather tenuous.

We have only a part-time Minister of Ethnic Affairs. This should be full-time before another Ministry is created.

Not convinced that a new bureau should be imposed or that it would improve efficiency and numbers of co-operatives.

Note that statistics indicate that successful countries (Japan, West Germany, U.S.A.) have only a small % of co-operatives. Could this be significant?

106. Victorian Ministry for the Arts.

Has recently received consultant's report on co-operative structures and arts bodies. Report distribution to be determined in 1987. Some observations concerning current inappropriate legislation etc.

107. Ballarat Community FM Radio Co-op Ltd.

There are a number of successful and important co-operatives in the region that have established a workable and democratic character to business practice.

Urge the State Government to support development of the co-operative movement.

108. Open Door Publications and Publicity

Suggests that union resistance to co-operatives could be residual from the N.C.C. push in the 1950's to establish country co-ops.

A better "sell" is required if the trade union movement is to become involved.

109. Dame Phyllis Frost

Concerned by recommendation for a single peak association per sector. Concerned with pressure on co-ops not conforming to recommendations of the V.C.C.

Proposed infrastructure bulky and expensive.

110. Migrant Resource Centre Inc. Broadmeadows and District

Report tends to ignore ethnic groups co-operative experiences in countries of origin. Suggests that ethnic communities have representation on the V.C.C., that an ethnic co-op support unit be established and that funds be designated specifically for ethnic projects in the co-operative sector. Interested Latin American and Eastern European groups have contact with the Centre.

111. Department of the Premier and Cabinet

Confirms that co-operative development is generally consistent with government policy, but particularly in regard to economic growth, job creation and maintenance, assisting low income groups, EEO and workplace democracy.

Lists commitments of Labour, Housing, Health, Education, Community Services, Arts, Attorney-General and Sport and Recreation Departments.

All recommendations appear to be consistent, except for the creation of a new Ministry. Desirable to separate policing and development functions.

Suggests that the Department of Industry, Technology and Resources could be appropriate auspice for a Co-operative Development Agency.

112. Australian Association of Co-operatives Ltd

Acknowledgement only, comments to follow.

113. Department of Humanities, Footscray Institute of Technology

Little attention given to social and cultural background of co-operatives. Next investigation should focus on relevance of non-British postwar immigrants and their co-op backgrounds, in the context of current immigration policies. Many areas where immigrant group skills could be beneficial in co-op ventures, but would need much government impetus.

114. Ian Symons - Warrnambool

"Bottom-up" approach makes policy development difficult.

Universal rules are impossible, larger co-operatives should not need Registrar's approval for land purchases, donations etc. Re. structure, Co-operative Federation of Victoria should be acknowledged as a tertiary body, could undertake many of the co-ordination activities proposed for the V.C.C. and C.E.T.A.

115. Patrick Hope, Dean of Business, Ballarat CAZ

Would appreciate being considered for membership of the proposed Co-operative Education and Training Authority as a non-voting member. Could potentially participate in the training function.

116. Shire Secretary, Shire of Hampden (Camperdown)

Council is concerned about the proposed education and training levy - suggests that smaller co-operatives be exempted as payment could be beyond their means.

117. Warrandyte Community Workshop Co-op Ltd

Main concern with worker co-operatives, key issues are relationships with the trade union movement and availability of adequate funding for co-operative enterprises.

Concern about rights of minority shareholders. Re. surplus - prohibit distribution until a reserve level has been reached.

Buy-back facility needed when employment ceases.

Is establishment of the Co-operative Education and Training Authority realistic? What about TUTA or TAFE?

118. Norman West - Bendigo

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119. Albury-Wodonga Development Corporation

Implementation of recommendations should improve development opportunities for non-metropolitan co-operatives.

120. Commonground Co-operative Ltd.

The most important aspect is implementation by Government.

Concern here re. closure of the Co-operative Development Program.

Suggest that Government consider use of the principle of the "least restrictive alternative" heralded by the disability rights movement and adopted by the Department of Social Security.

We therefore need legislation that actively supports and encourages the co-op sector. The economic and social justice strategies should be linked with the potential of the co-operative movement.

121. Race Mathews Minister for Police and Emergency Services.

No specific departmental comment at this stage, although present controls and reporting requirements should continue.

122. Carlton Community Milk Bar Co-op Ltd

Report implies funding for food co-op warehouse and resource centre is imminent; this is incorrect.

123. TAFE, South East College, Mt. Gambier

Heartening to note the Victorian Government is beginning to recognise the significance of co-operatives.

124. G.K. Kindt, Manly.

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125. Ballarat Trading Co-operative Limited

This co-operative endorses active Government support of the co-operative movement.

126. Kooperativa Institutet, Stockholm.

Increasing Swedish interest from public sector agencies for co-ops in areas like child and aged care, increase choice and reduce costs.

Social basis for co-operatives is not explicit in Report. Why?
Similarly, ignores co-operative development as a social process preceded by increased awareness of people regarding their needs.

127. Co-operative Housing Foundation of Canada

Supports sections on rental housing co-operatives.

128. The Treasurer of Victoria.

1. Many co-operatives are small, under capitalised, and in some cases, of questionable efficiency.
2. Co-operative sector would therefore require a substantial level of Government support e.g. guarantees and grants to take on increased share of economic activity.
3. Questionable whether Government has this capacity and whether such support will provide measurable benefit to the economy.
4. To enable proper assessment of financial implications, further analysis required of financial position of existing co-operatives and success/failure rate of different types of co-operatives.
5. Detailed commentary follows on some recommendations. Resolution necessary prior to Government statement of support for Report.

5.1 Government Role

Recommendation 4: should be rewritten so that "The economic potential of Co-operatives should be recognized and developed in the Government's Economic Strategy with the assistance of the proposed Victorian Co-operatives Council.

Prior to this recommendation, reference is made to "development of specific strategies for co-op sectors in context of Government's Economic Strategy". Thus the Government would have to develop industrial sector strategies and then identify sectors where co-op development could be encouraged. This needs addressing -

5.2 Government Grants

Does not appear to address problems in raising adequate equity capital by community service and worker co-operatives. In turn, this restricts capacity to raise loans.

No projections developed to determine potential level of government grants, or resultant benefits. Such information is necessary concerning priorities in using limited Government financial resources.

5.3 Organisation

More detail is required re. development agency activities managed by sector associations.

What levels of staffing/resources are necessary? How are these to be financed?

What are the future financial implications if this recommendation is adopted?

5.4 Legislation

Differentiating between primary co-ops and others raises questions of feasible legislation incorporating complex fiduciary relationships/responsibilities.

Recommendations do not necessarily address dissolution procedures.

5.5 Education and Training

What is the availability of human financial and other resources necessary to achieve objectives.

Particularly appropriate in relation to pre-co-operative training.

5.6 Finance

Re. Government guarantees, current involvement has narrow basis with sound underlying security.

To extend system to co-operative business undertakings & financial co-ops with questionable solvency would significantly extend costs to Government. Added to the present extended use of guarantees to support Government borrowing programs, makes increased capacity to service co-ops questionable.

Practicalities of a national financial facility are not addressed. Viability must be based on commercial lending rates.

Government guarantees and grants, and SBDC loans would appear to have subsidy effects inconsistent with a competitive national financial facility.

Queries ability of co-ops to service venture capital and wholesale loans.

Encourages the financially precarious to seek assistance from institutions that often lack strength.

Many of the larger financial co-operatives have become non-bank, deposit-taking institutions in the broad sense, have lost any association with other parts of the Co-operative movement. "Fencing" these institutions in with the balance of the movement does not seem sensible.

5.7 Common Equity Rental Co-operatives

Report fails to provide data on CERC availability and ability to service loans. Revenue impact of gift and stamp duty, and land tax exemptions has not been estimated. What are the implications of such a precedent? These need to be taken into account.

5.8 Transitional Arrangements

Numerous funding implications inherent in structural and specific sector requirements need addressing.

5.9 Request above issues be analysed and information forwarded to examine budgetary implications.

129. Roy Lannigan, Noble Park

1. Encourage centralisation where possible to achieve best resource utilization.
2. Greater significance through a Ministerial portfolio of Co-operatives. At present, no-one is serious.

3. Use of the word "Co-operative" should be restricted to registered co-ops.
4. Try a "shop-point" image to promote concept.
5. Legislative proposals should be agreed to in the movement, then submitted to Government.
6. Shares should only be used as membership fee.
7. Rules should cover sickness, unemployment, holidays.
8. Workers co-ops should aim for total asset ownership, return assets to movement on winding up.
9. Co-operative College could be funded by the movement.
10. Shares should have par value only.
11. Movement should be self-funding where possible.

130. Education Department, Co-operative Union Ltd Leicestershire

Not able to comment in detail but report appears soundly based, carefully constructed, capable of practical application.

131. Central Region Housing Resource Co-operative Ltd.

Concern for the financial viability of small co-ops, especially where they have no means to generate income.

Believe both leasing co-operatives and common-ownership co-ops (CERCs) should have a single association.

Question when (and if) any of the MACC recommendations will be implemented.

132. City Manager, City of St. Kilda

Importance of the co-operative movement is acknowledged, particularly in respect of its potential to promote self-help and to develop job opportunities.

133. Town Clerk, Shire of Moe

Council is very active with three co-operative housing societies and will forward comments.

134. Chief Executive, City of Echuca.

Co-operatives have served a very useful purpose here, particularly re. housing, and in the Aboriginal community. We support recommendations.

135. Brian Burke, Premier, W.A.

Noted with interest, passed on to Attorney-General.

136. Jim Simmons, Minister for Local Government

More appropriate for responsibility for different co-operative sectors to lie with the appropriate Department.

Government funding should mainly be directed towards worker co-operatives and other mainstream-type co-ops, rather than to the fringe co-operatives.

Education and training courses should come from within existing educational infrastructure; undesirable to develop very specific, targetted courses.

Wish to highlight the need for assistance to worker co-ops.

137. Y.C.W. Co-operative Society Limited

Support prime responsibility for co-operative development should come from sector associations if they exist. Otherwise, the Co-operative Federation Victoria can provide guidance/assistance in the interim.

Agree that the Victorian Co-operatives Council should replace the Co-operative Societies Advisory Council but not the CFV. Concern re. definition of inoperative member (Rec. 38).

Support some education and training recommendations but concerned about such a "top down" approach and an over-dependence on government funding. Overall concern that government funding would threaten the independence of most sectors.

138. Town Clerk, City of Brunswick

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139. CHAS Rental Housing Co-operative Advice Service Limited

1. Opposed to the co-operative rental housing association being auspiced by the Common Equity Rental Co-operative Sub-committee; the proposal fails to appreciate the realities of the rental housing sector.
2. Believe one association per sector is desirable in principle, but practicalities and autonomy support the principle of choice.
3. Believe all sector associations should be represented on the V.C.C., and not be subject to ministerial approval.
4. Concerned about "open membership" - groups who are discriminated against eg. disabled, ethnic, Aboriginal, women etc should be able to restrict membership accordingly. Under MOH leases, membership is available only to eligible public housing tenants. Would this become illegal under proposal?

5. Autonomy. Present MOH headleases require stock upgrading within MOH budget ceilings - this contravenes co-op autonomy.
6. Education. MOH has not approved funding for an education worker and a program. Will MACC support our funding application by writing to the MOH.
7. Finance. Financial recommendations do not comprehend the situation of rental co-ops. Leasing co-ops cannot be self-funding. MACC should be looking at guaranteed adequate funding for the rental housing co-op sector.

CHAS has great difficulty in getting the MOH to meet its funding responsibilities. None of the recommendations appear to address the lack of accountability from government departments.

Overall, "non-economic" co-ops are shackled by bureaucratic decisions and are grossly under-resourced.

8. Leasing co-ops v. CERCs context. Leasing co-ops appear to be largely ignored, with benefits to CERCs.
9. Implementation. Could you outline the course of implementation of recommendations and what consultations will be involved?

140. Director of Housing

Comments re. capital funding and leasing co-ops.

1. Government role. Since November 1985, MOH has funded Victoria's first "secondary" resourcing co-operative, providing architectural and book-keeping services and on-going co-operative education to CERCs. Evaluation process is on-going.
2. Organisation. MOH has funded CHAS since 1981. MOH supports CHAS efforts to replace itself with a sector association. Future support levels will be discussed by MOH over the next 6-12 months.

A sector association would need to service both CERCs and leasing co-operatives.

3. Legislation. Agree that Part VI of the Housing Act should be transferred to the new co-operatives legislation.
4. Education and Training. Acknowledges need for co-ops to develop competency in financial and management skills. Sector associations should aim to be self-supporting.
5. Transitional Arrangements. Extension of Government guarantees to CERCs is not considered critical. Lending institutions appear satisfied with current arrangements.

Both MOH and Minister strongly support removal of land tax and stamp duty which seriously threaten CERC program viability.

141. Pinewood Community Co-operative Ltd.

Social justice strategy relevant, co-operatives are vital element in restoring equity and participation and redistributing resources.

Welcome inclusion of education and development in the role of regulatory bodies. Concerned re. abolition of Co-operative Development Program for women.

142. Southern Credit Co-operative Association Ltd.

1. Government action to embrace credit co-operatives under the Credit Act is anathema and counterproductive.

If Government is serious about the 3rd Sector, it should impose a minimal regulatory environment on credit co-ops. Support between Government and credit co-ops must be reciprocal.

2. V.C.C. should not be involved in issues clearly within jurisdiction of a sector. Support diversity and freedom to form more than one (1) association per sector.
3. Opposed to V.C.C. membership being subject to direct and de facto Ministerial control. Representation should be up to co-operatives themselves.

4. Suggest adopt separate Act for each sector; universal approach creates confusion as amendments for one (1) have unintended repercussions for others.
5. Opposed to V.C.C. approval of cash surplus distribution - this is a matter for individual co-ops.
6. Share capital and capital profits should be recognised as forming part of statutory reserves.

143. Owner Builder Association of Victoria

1. Concerned re. legislative barriers prohibiting growth of community settlement co-operatives. Multiple occupancy policy required.
2. Opposed to Government discretion to approve purchase lease or sale of property by co-ops.
3. Further consultation necessary with sector re. ownership/disposal of dwellings, valuation of shares, non-active members etc.
4. Report ignores diversity of trading co-operatives in a "service" context.
5. Opposes expanded role for CFV, Federation not representative and includes organisations not registered under Co-op Act 1981. (R.19)
6. Opposes to one (1) only registered sector association. Secondary co-ops could have important role which MACC fails to recognize. (R.17a)
7. Opposes Government providing direct venture capital to business co-ops, as implied in R8(b), R58(b) and R60. Funding to business co-ops should be "loan" only.
8. Queries membership rationality for working party re. wholesale finance facility - why are co-operative companies included? Why are Victorian Economic Development Corporation, trading, producer and community settlement co-operatives excluded?

9. Supports Government providing finance to VCCA to allow drawing by local credit co-ops for loans to eligible co-ops.
10. Believes individual co-ops should have some responsibility for self-funding.
11. Remove barriers to co-ops investing in credit co-ops.
12. Criticizes Report's selectivity in treating financing of worker and food co-operatives differently from all other sectors. Worker co-ops should be subject to similar viability criteria as for other business co-ops.
13. Legislation should allow for secondary co-ops. (R25)
14. Believes that the decision making process in all co-operative structures should be on the basis of one member one vote. (R29b)
15. Surplus distribution prohibition is supported where Govt. funding for the co-operative is made on a recurring basis, but not on a start-up basis. Residual assets are viewed in the same manner. Oppose residual assets distribution being subject to approval by the Director of Co-operatives.
16. Concerns re. Co-operation Act 1981:
 - A. restriction on the maximum number on the Board of Directors;
 - B. existing contradiction concerning employee-members on the Board;
 - C. allows BOD powers that could jeopardise members' assets, e.g. disposal of major assets;
 - D. confusion as to dealings with shares of outgoing "live" members.